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CONFEDERATE STATES OF AMERICA,

TREASURY DEPARTMENT,
Richmond, January 20th, 1862.

HON. HOWELL COBB,
President of Congress:

SIR: In pursuance of a resolution of Congress I herewith communicate the accompanying copies of circulars issued in respect to the Produce Loan. I have not been able to ascertain and classify, until the 19th instant, the amount of contributions from the different States; and even now, the statement made is subject to exception, from the fact that in many instances portions of crops are subscribed without information as to the amount of the whole crops. The accompanying statement of Mr. DeBow will give the particulars.

In order to complete the arrangements for receiving the loan, I have appointed agents at the principal points of delivery, who are charged with the duty of appointing and superintending agencies at the smaller places of delivery. These agents are all to be paid by a brokerage commission, which is set forth in the 6th article of the Instructions for the Agents; and as it is not usual to require security from brokers entrusted with business of this character, I have concluded it best to follow the usages of business and not to require security. Such a requisition, too, would probably deprive us of the benefit of first-class agents, more especially as the commission allowed is very moderate.

The duties of the Bureau to which the Produce Loan is assigned are greatly increased, and its correspondence extended. Its details require, also, that one of the best clerks we can command should be placed at its head, I would, therefore, respectfully ask of Congress the allowance of a chief clerk, with a salary of $1,500, in addition to two other

clerks, with a salary of $1,000, who are now employed under the general authority given to the Department to employ such clerks of the lowest grade of salary as may be requisite for its service. The duties which are required of a chief clerk have heretofore been discharged gratuitously by Mr. J. D. B. DeBow.

Very respectfully,

Your obedient servant,

C. G. MEMMINGER,

Secretary of the Treasury.

CONFEDERATE STATES OF AMERICA,

TREASURY DEPARTMENT,
Richmond, January 16th, 1861.

TO THE HON. C. G. MEMMINGER,
Secretary of the Treasury:

SIR: The nearest approximation I can make, in consequence of 1-4, 1-2 and 2-3 crops being subscribed in numerous cases, is as follows:

ARTICLES SUBSCRIBED TO PRODUCE LOAN.

Virginia,.....	1,000	Hhds.	tobacco,	5,000	bushels wheat.
Tennessee,.....	3,000	bales	cotton.		
South Carolina,..	25,000	"	"	120,000	bushels rice.
Georgia,.....	75,000	"	"	150,000	" "
Alabama,.....	125,000	"	"		
Mississippi,.....	120,000	"	"		
Arkansas,.....	26,000	"	"		
Louisiana,.....	28,000	"	"	3,500 Hhds. sugar. 3,500 bbls. molasses.	
Texas,.....	15,000	"	"		
	418,000				

In addition, about half million dollars in money subscribed, and about the same value in other produce. I have reason to think that there are lists still to come in, which will swell the loan to about 450,000 bales, and possibly even 500,000 bales.

(Signed.) J. D. B. DEBOW.

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TREASURY DEPARTMENT, C. S. A.,
RICHMOND, June 18th, 1861.

GENTLEMEN: The Congress of the Confederate States at its last session passed an Act authorizing the issue of bonds for the proceeds of the sale of raw produce and manufactured articles.

It has been deemed advisable in carrying out this law to circulate, in advance, lists for subscription, in which, every planter can indicate the portion of his crop which he is disposed to lend for the support of the Government. It is proposed that no disturbance shall be made of the usual arrangements of each planter for selling his crop; but that he shall simply indicate the portion he is willing to subscribe, the time and place of delivery, and the factor in whose hands it is placed for sale; and shall order the factor to exchange the proceeds of sale of the subscribed portion for Confederate Bonds bearing eight per cent. interest.

Several of these lists are herewith sent to you, and you are requested to act as Commissioners in bringing the same to the attention of the people of your District or County. You will use your discretion as to the best mode of bringing the matter forward; but it is suggested that it would be desirable to use any public occasion, and to induce as many gentlemen as you can to make individual applications to their fellow-citizens.

As soon as you shall have procured as many signatures as you can to any one list, you will please forward it to this Department. To provide against loss of any list, it is desirable that they should be signed in duplicate, and forwarded by different mails.

Respectfully,

Secretary of Treasury.

CONFEDERATE STATES OF AMERICA,
TREASURY DEPARTMENT,
RICHMOND, October 15th, 1861.

The Commissioners Appointed to Receive Subscriptions to the Produce Loan:

GENTLEMEN:

Enquiries have been made from various quarters

1. Whether, during the continuance of the blockade, efforts should be made to procure further subscriptions.

2. Whether the Government will authorize promises to be held out, of aid to the planters, as an inducement to such further subscriptions.

The first inquiry seems to imply a misunderstanding of the scheme of the subscriptions. Many persons have supposed that the Government was to have some control of the produce itself; others that the time of sale appointed by the subscription was to be absolute and unconditional. The caption at the head of the lists, when examined, will correct both these errors. The subscription is confined to the proceeds of sales, and contains an order on the commission merchant, or factor of the planter, to pay over to the Treasurer the amount subscribed, in exchange for Confederate Bonds. The transaction is simply an agreement by the planter to lend the Government so much money; and, in order to complete the transaction, a time and place are appointed when and where the parties may meet to carry it out. The important point is, that it shall certainly be completed at some time, and that is secured by the engagement of the planter. Whether that time be December or June, is simply a question of convenience, and works no injury to either party. The Government is sure of the eventual payment, and derives from that certainty so much credit; and it loses nothing, because it gives its bond only when the money is paid.

It is obvious, therefore, that the subscriptions are quite as valuable to the Government during the blockade, as after it. The blockade simply suspends the completion of the engagement. It becomes the interest of both parties to wait for a

good price, and the Government will readily consent to a postponement of the sale.

You perceive, therefore, that it is desirable to continue your exertions to increase the subscriptions; and you are authorized to say that the Government will consent to a reasonable extension of the time appointed for sales.

2. The next inquiry is as to a promise of material aid from the Government to the planters.

In answering this enquiry, I am to speak in advance of any action of Congress. What that body may see fit to do, it is not for me to determine. I can express merely the views of this Department, and these must govern your action, until reversed by a higher authority. It would be a sufficient answer to the enquiry, to say that the action of the Government is settled by the Constitution. No power is granted to any Department to lend money for the relief of any interest. Even the power of Congress in relation to money is confined to borrowing, and no clause can be found which would sanction so stupendous a scheme as purchasing the entire crop, with a view to aid its owners. But it may be said that the Constitution of the Provisional Government may be altered by Congress, and that it is the duty of this Department to prepare the way for such alteration, if, in its judgment, the financial necessities of the country demand the change.

I am not disposed, then, to close the enquiry with the abrupt answer thus made by the Constitution; and will proceed to consider the subject upon its intrinsic merits.

Two plans of relief have been proposed. The one is, that the Government should purchase the entire crop of the country; the other, that an advance should be made of part of its value. In either case the payment is to be made by the issue of Treasury notes, and therefore, if we put aside, for the present, the many and serious objections to the possession, transportation and management of the crop by the Government, it becomes simply a question of amount. To purchase the whole crop would require its whole value, less the amount of the subscriptions made to the Government. If we estimate the whole crop of cotton at 200 millions, and the subscriptions at 50 millions, the purchase would then require 150 millions of Treasury notes, and, if to this sum be added the amount of values for other agricultural products, which would certainly claim the same benefit, the sum required would probably reach 175 millions.

The amount called for by the other plan of making an advance, would depend upon the proportion of that advance. Few of the advocates of this plan have put it lower than 5 cents per pound on cotton, and at the same rate upon other produce. It may, therefore, be very fairly set down at about one hundred millions.

If we consider first, the least objectionable of these plans, it is certainly that which requires the smaller sum; and if this be found impracticable, the larger must of necessity be rejected. Our enquiry, then, may be narrowed down to a proposal that the Government should issue 100 millions of Treasury notes, to be distributed among the planting community upon the pledge of the forthcoming crop.

The first remarkable feature in this scheme is, that it proposes that a new Government, yet struggling for existence, should reject all the lessons of experience, and undertake that which no Government, however long established, has yet succeeded in effecting. The "organization of labor" has called forth many ingenious attempts, both speculative and practical, among well-established Governments, but always with disastrous failure. With us, however, the experiment is proposed to a new Government, which is engaged in a gigantic war, and which must rely on credit to furnish means to carry on that war. Our enemies are in possession of all the munitions and work-shops which have been collected during forty-five years of peace—their fleets have been built up at our joint expense. With all these on hand, they yet are obliged to expend nearly ten millions of dollars per week to carry on the war. Can we expect to contend with them at less than half that expenditure? Supposing that it may require 200 millions of dollars; then the proposal is, that, at a time when we are called upon to raise this large sum for the support of Government, we shall raise a further sum of 100 millions for the benefit of the planting interest.

For it must be observed, first, that the Government receives no benefit whatever from this advance. The money is paid to each individual planter, and, in exchange, the Government receives only his bond or note—or, if the cotton be purchased, the Government receives only certain bales of cotton. That is to say, the Government pays out money which is needful to its very existence, and receives, in exchange, planters' notes or produce, which it does not need and cannot in any way make use of.

It must be observed, in the next place, that Treasury Notes have now become the currency of the country. They are, therefore, at present, the measures of value. In this view it is the duty of the Government to limit their issue, as far as practicable, to that amount which is the limit of its currency. Every person acquainted with this branch of political science, is aware that if the currency passes this point, it not only becomes depreciated, but it disturbs the just relations of society, precisely as though an arbitrary authority should change the weights and measures of the country. If the currency of a country should be suddenly extended from one hundred to two hundred millions of dollars, that which was measured by one dollar is now measured by two, and every article must be rated at twice its former price. Of course all contracts are disturbed. The debt incurred before the increase, is discharged by paying one-half its former value; and each article purchased must be paid for at double its former price. The Government, from the necessities of war, is the largest of all purchasers, and thus, by a kind of suicidal act, compels itself to pay two dollars for what one would have formerly purchased. And, at this rate of advance, two hundred millions of dollars can effect no more than one hundred millions of dollars would have effected before; or, in other words, one hundred millions of dollars are actually sunk in the operation.

Such a condition of the currency the Government has anxiously endeavored to guard against. The war tax was laid for the purpose of creating a demand for Treasury Notes, and a security for their redemption. Their redundancy has been carefully guarded against, by allowing them to be funded in eight per cent. bonds. If necessity shall compel the Government to issue for the defence of the country, and to keep out two hundred millions, it is plain that every accession must impair, and may defeat, all these precautions.

If the Government should undertake, for the sake of private interests, so large an increase of issues, it may hazard its entire credit and stability. The experiment is too dangerous, and relief for the planters must be sought in some other direction. And may not that remedy be found?

In the first place, let the planters immediately take measures for winter crops, to relieve the demand for grain and provisions. Let them proceed to divert part of their labor from cotton, and make their own clothing and supplies.

Then let them apply to the great resource presented by the money capital in banks and private hands. Let this capital come forward and assist the agricultural interest. Heretofore the banks have employed a large part of their capital in the purchase of Northern exchange. Let them apply this portion to factors' acceptances of planters' drafts secured by pledge of the produce in the planters' hands. An extension of the time usually allowed on these drafts would overcome most of the difficulties. This extension could safely reach the probable time of sale of the crops, inasmuch as the suspension of specie payments throughout the entire Confederacy, relieves each bank from calls for coin. The banks are accustomed to manage loans of this character, and will conduct the operation with such skill as will make them mutually advantageous. The amount of advance asked from the banks would be greatly less than if advances were offered by the Government; and all the abuses incident to Government agencies would be avoided.

It seems to me, therefore, that it is neither necessary nor expedient that the Government should embark upon this dangerous experiment. It is far better that each class of the community should endeavor to secure its own existence by its own exertions, and if an effort be at once made by so intelligent a class as the planters, it will result in relief. Delay in these efforts, occasioned by vague expectations of relief from Government, which cannot be realized, may defeat that which is yet practicable.

Respectfully,

Your obedient servant,

C. G. MEMMINGER,

Secretary of the Treasury.

CONFEDERATE STATES OF AMERICA,
TREASURY DEPARTMENT,
RICHMOND, November 25, 1861.

To the Commissioners appointed for Receiving Subscriptions to the Confederate Loan.

GENTLEMEN—I have the satisfaction of announcing to you that the whole amount of the Fifteen Million Loan has been taken up; and I return to each of you the thanks of the Government for the valuable services which you have gratuitously rendered in taking the subscription.

By another Act of Congress, approved August 19th, 1861, another loan has been authorized, which may be extended, if necessary, to one hundred millions of dollars. The Produce Loan will probably take up one-half of this amount. Another portion will be taken up in funding Treasury Notes, and the remainder is open to subscription by our citizens.

Thus far, we have found both the patriotism and the means of our people sufficient for all the demands of the Government, and upon these resources we shall continue to rely. I have, therefore, to request you to continue your agency in receiving subscriptions.

The bonds, or stock, to be raised will bear eight per cent. interest, payable semi-annually, as heretofore, and are sustained by a pledge of the faith and property of the Confederate States. To secure the punctual payment of interest and principal, Congress has directed the levy of a direct tax, which is ample to that end.

The bonds and stock will be issued at dates payable every six months, after the expiration of two years from 1st January, 1864, up to a period of 18 years: a subscriber may, therefore, select securities for any date that may suit his convenience, from two to eighteen years, until the issue for such period shall be exhausted.

The mechanical arrangements necessary for such an issue involve considerable delay and inconvenience, to overcome which I propose in all cases to issue, at first, certificates of

stock for the amount subscribed, payable at the period preferred by the subscriber. These certificates will be exchanged for coupon bonds, payable at the same date, upon request of the holder.

New books will be sent to you, with appropriate blank receipts. Upon payment of the money subscribed, in Treasury Notes, or bank notes current at par in the commercial metropolis of the State, you will issue to the subscriber a receipt for the same, in which can be specified the period and amount of the stock certificate or bonds which he prefers. The money you will send to the nearest Assistant Treasurer, or Depositary of the Confederate States, with a statement of particulars, and, on presentment of the receipt, the Treasurer or Depositary will deliver the certificate and stock to the subscriber or his order. It will hasten the delivery, if you will send to this Department, weekly, a duplicate of your returns to such Assistant Treasurer or Depositary.

Inscribed stock will be issued in all cases where it is preferred. Such preference you will please indicate in the receipt you give the subscriber, and, also, in your return of the subscription money to the Assistant Treasurer or Depositary.

Very respectfully,
Your obedient servant,
C. G. MEMMINGER,
Secretary of Treasury.

INSTRUCTIONS FOR THE AGENTS FOR COLLECTING SUBSCRIPTIONS TO THE PRODUCE LOAN.

CONFEDERATE STATES OF AMERICA,
TREASURY DEPARTMENT,
Richmond, January 3d, 1862.

The following Instructions are issued for the guidance and direction of the Agents for collecting subscriptions to the Produce Loan:

1. The General Agents will immediately on the receipt of the Lists of Subscriptions from the Register of the Treasury, appoint a subordinate Agent at each place in the State in which he is appointed, where subscriptions are to be paid, (other than the place of his own residence,) and shall report the same for the approval of the Secretary of the Treasury, and shall furnish such Agent with Lists of the Subscriptions payable at such place.

2. At the time appointed for the sale of any produce, or whenever such sale shall take place, the Agent shall apply for the proceeds due under the subscription, and may receive the same in coin, Treasury Notes, or approved Foreign Bills of Exchange drawn against the sale, and taken at the current market rate; and for the said proceeds, shall deliver to the subscriber a receipt exchangeable for Bonds or Stock, to be issued under the Act of August, 1861, for such period beyond five years as the subscriber may select; and if the particular period shall have been exhausted, the nearest remaining will be furnished instead.

3. Each sub-Agent will report and pay weekly to the General Agent of his Division, or to such Assistant Treasurer or Depositary as he may direct, all moneys collected.

4. The General Agents will report weekly to the Secretary of the Treasury, and at same intervals deposit all moneys received with the nearest Assistant Treasurer or Depositary.

5. The General Agents will receive from the Treasurer the Bonds or Certificates of Stock called for by the receipts, and will, with the aid of their sub-Agents be the medium to exchange the same with the holders of the receipts.

6. The compensation of both General and sub-Agents shall be a brokerage at the following rates; but no brokerage shall be charged by the General Agent on moneys paid over by the sub-Agents:

RATES OF BROKERAGE COMMISSIONS TO BE ALLOWED.

On all sums of $100,000 and under, one-half of one per cent.; on all sums over $100,000, and less than $500,000, one-fourth of one per cent. additional; on all sums over $500,000, and less than $1,000,000, one-eighth of one per cent. additional; and on all sums over $1,000,000, one-sixteenth of one per cent. additional, until the whole compensation of any one Agent shall reach $3,000, beyond which, no charge shall be allowed.

7. All Agents shall have authority to receive additional subscriptions, and are earnestly requested to take all measures in their power to procure the same; and they will be furnished with blank Subscription Lists for that purpose.

8. Whenever a proposal is made to subscribe Army supplies in kind, the Agent to whom it is made shall report the same to the nearest Quartermaster or Commissary, and upon a certificate of the value as adjusted by such officer, and that the article has been received, the said Agent shall issue a receipt for the amount so certified, and report the same to his principal, or to this Department.

C. G. MEMMINGER,
Secretary of the Treasury.

CONFEDERATE STATES OF AMERICA,

TREASURY DEPARTMENT,
Richmond, January, 1862.

[TREASURY CIRCULAR.]

To the Commissioners for taking Subscriptions to the Confederate Loan:

GENTLEMEN: Since my circular of November 25th, 1861, Congress has passed a law offering increased facilities for investment, which I now respectfully request you to bring to the notice of persons having money to invest.

Treasury Notes have now become a received and general circulation. Any holder of $500 of such notes may receive an interest of six per cent. upon them, by depositing them with any Assistant Treasurer or Depositary of the Confederate Government. These officers are to be found at Richmond, Wilmington, Charleston, Savannah, Mobile, New Orleans, Galveston, Memphis and Nashville. Upon making the deposit, a certificate for the same will be issued, bearing interest at the rate of six per cent. per annum, and re-exchangeable at the will of the holder for Treasury Notes. It will be perceived that this arrangement is equivalent to a deposit on call, upon which six per cent. interest may be had.

I would, also, request you to bring to the notice of capitalists that Treasury Notes may at any time be exchanged for Bonds or Registered Stock of the Confederate States, bearing an interest of eight per cent. per annum, payable semi-annually—the said Bonds or Stock to be payable at any period between three years and eighteen years, at the pleasure of the holder of the Notes. The exchange can be made by depositing the Notes with any of the above-named officers of the Government, or with any of the Commissioners who have heretofore acted in receiving money for the Confederate Loan.

Such of you as may receive any such deposits will issue a receipt for the same, in the form heretofore determined,

and will please forward the Notes deposited to the nearest Assistant-Treasurer or Depositary, with a report of the particulars requisite for the issue of Bonds or Stock.

You will, also, be pleased to continue your agency in disposing of Bonds or Stock in conformity with the circular of November 25th. The plan of finance adopted by Congress, contemplated that Treasury Notes should be the received medium of payment of Government dues, as soon as a sufficient amount of them should be in circulation; and as it is believed that such an amount is now in circulation, you are requested hereafter to require that Treasury Notes should in all cases be paid for the Bonds.

Respectfully,

Your obedient servant,

C. G. MEMMINGER,

Secretary of Treasury.

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